


In-service  
withdrawals  
and loans

# Accessing your money before you retire



**Nationwide®**  
is on your side



Even though the 457(b) deferred compensation plan is designed for long-term investing, special provisions may give you access to the funds in your account while you're still employed.



## Special provisions may provide access to funds

Because the 457(b) deferred compensation plan allows you to save on a tax-deferred basis, there are restrictions on when you can withdraw your money.

But what if something happens and you need money now? Special provisions may offer you access to money in your account<sup>1</sup>:

- **Unforeseeable emergencies**
- **Loans**

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Remember, the deferred compensation plan is designed to help you prepare for retirement. Careful consideration should be made prior to any withdrawal or participant loan.

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<sup>1</sup> Other in-service withdrawal options include distribution of rollover contributions, de minimis distribution and required distributions at age 72 while still working. Ask your Nationwide® Representative for more information.

# Ways you may have access to funds

## Unforeseeable emergencies

Under IRS regulations, an unforeseeable emergency is defined as severe financial hardship on the part of the participant or the participant's spouse, beneficiary or dependent due to extraordinary circumstances.

Examples of emergencies
Need to pay medical expenses
Imminent foreclosure or eviction from primary residence
Funeral expenses of a spouse or dependent

You must document that a severe financial hardship exists that cannot be relieved through any other means.

## Loans

Your employer may permit you to take a loan from your deferred compensation plan. The process is similar to taking out a loan from a lending institution. You must complete an application and be approved for the loan.

- ✓ Minimum loan amount is \$1,000
- ✓ Maximum is 50% of your vested account balance up to \$50,000<sup>2</sup>
- ✓ Maximum loan term for a principal residence loan is 15 years; other loans are 5 years

Loan terms generally include competitive rates and reasonable repayment terms.

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<sup>2</sup> This may be reduced by any outstanding loan balance within the last 12 months, minus any outstanding loan balance on the day the loan is made.

# What you should know about taking a loan

It's important to consider the pros and cons of borrowing from the deferred compensation plan.

## Advantages

- No credit check
- No taxes to pay
- Competitive interest rates
- Repayments are made back to your deferred compensation account
- Allows you to pay off higher-interest debt
- Reasonable repayment terms

## Disadvantages

- You may lose the benefits of your money compounding over time — a potential setback to your savings
- Repayments are made with after-tax dollars
- Loans must be repaid with interest
- Assets might be liquidated at a lower value than the purchase price



## Important information about loan repayments

All loan repayments must be made in full by the specified due date.

- Automatic deduction from your savings, checking or paycheck are available
- No penalties apply to loans repaid in full prior to term if made via lump-sum payment
- Loan fees appear as administrative charges on your statements
- Loan repayments may be suspended during military service
- Defaulted loans are taxable and reported to the IRS



We can help you determine your eligibility for an unforeseeable emergency or loan.

To learn more:

- Talk with a Nationwide Customer Service Representative at 877-677-3678
- Visit [nrsforu.com](http://nrsforu.com)

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NRM-6591AO.9 (01/21)



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